I encourage my colleagues to support this effort as well.

THE SACRED HEART CATHOLIC CHURCH CELEBRATES 100 YEARS IN BLUEFIELD

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. RAHALL. Mr. Speaker, 1995 is a memorable year for the residents of Bluefield, WV. For it was 100 years ago that the Sacred Heart Catholic Church was dedicated on Mercer Street. The theme of this years celebration is ''Remember, Rejoice, and Renew.''

Late in the 19th century, the coal industry, the railroad, and commercial trade brought numerous Catholics to southeastern West Virginia. The first Catholic service in Bluefield took place on Princeton Avenue, when the Reverened John McBride came on horseback from Wytheville, VA, to perform the ceremony. Mr. Speaker, the first Catholic service in Bluefield even predated the incorporation of the city of Bluefield, WV.

Five years later, in 1984, the Most Reverend P.D. Donahue, Bishop of the Diocese of Wheeling, WV, appointed the Reverend Emile Olivier the pastor of the growing Catholic community in Bluefield. Through Reverend Olivier's tutelage and the hard work of the parish, the Sacred Heart Church was dedicated on Mercer Street in Bluefield on October 27, 1895. The church continued to grow and was responsible for the creation of other Catholic communities in Powhatan, Gary, Welch, Williamson, Princeton, and Our Lady of Lourdes in Bluefield.

Mr. Speaker, the Sacred Heart Church in 1995, as in 1895, is a family of Christians whose mission it is to bring about the Kingdom of God on Earth by their worship, evangelization, and strengthening of relationships and service to church and community. It is with great honor that I help to honor the centennial year of Bluefield's Sacred Heart Church. Remember, Rejoice, and Renew.

UNEMPLOYMENT COMPENSATION

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. VISCLOSKY. Mr. Speaker, as the 104th Congress considers changes to the unemployment compensation [UC] system, I would like to bring to your attention a recent speech by Leon Lynch, Vice President of the United Steelworkers of America. Mr. Lynch's views, which focus on the unemployment insurance reforms recommended by the Advisory Council on Unemployment Compensation, were delivered to the National Foundation for Unemployment Compensation and Workers Compensation last month in Atlanta. These remarks provide an important viewpoint that should become part of the debate over UC reform.

REMARKS OF LEON LYNCH TO THE NATIONAL FOUNDATION FOR UNEMPLOYMENT COMPENSATION AND WORKERS COMPENSATION

The focus of my presentation today is unemployment insurance reforms recommended by the Advisory Council on Unemployment Compensation. To date, the Council has issued two reports containing a number of recommendations to improve our unemployment insurance program. The Council's major recommendations are focused on bringing the unemployment insurance system more into line with the realities of the 1990s economy and labor market. I believe they deserve the support of business and labor, and I want to explain why.

Since I joined the Advisory Council only late last summer, I did not directly participate in the adoption of the recommendations of the first report, which dealt mostly with the reform of the extended Benefits (EB) program. The second Council report, released in February 1995, focused broadly on the regular UI program. I was on board last year and I voted in favor of the recommendations of that report. The third and final report, due in February 1996, will focus on the administrative aspects of UI.

In all honesty, I am continuing to learn about our unemployment compensation system from the testimony presented by witnesses at Advisory Council meetings, the briefing papers prepared by Advisory Council staff, discussions among the Advisory Council, and meetings such as this. I have enjoyed my participation in the work of the Advisory Council and I hope to work for the adoption of the Council's recommendations at both the federal and state levels.

Having admitted that I am not an unemployment insurance expert, however, should not be taken as less than my full endorsement of the recommendations of the Advisory Council to date. You don't need a Ph.D to understand that our UI system is neither serving the needs of unemployed workers nor employers as well as it should.

As a trade union leader, I have long understood the terrible human impact of the defects in our UI system. These defects are much clearer to close observers. If you haven't done so, I encourage you to review the Advisory Council reports. They contain many more facts supporting the Council's recommendations than I can cover today. I hope you will take the time to review the reports since even those who regularly deal with UI will find a fair and impartial review of all aspects of the UI program.

I often hear employer representatives claim that our UI system isn't broken. I challenge you to read the reports with an open mind and come away with anything but a conclusion that, in key respects, our UI system can be improved and made to work better for all interested parties.

I want to begin my discussion by pointing out some of the factual findings from the February 1995 Advisory Council report. Many of you may be generally aware of UI developments, but I think these particular findings deserve mention.

First, there's been a serious erosion in the number of unemployed workers getting UI benefits. The ratio of insured unemployed workers (those that file a claim and have monetary eligibility) and the totally unemployed (those who are unemployed and actively seeking work) is widely used as an indicator of how many unemployed workers get UI benefits. In 1993, 32 of the 52 jurisdictions had an IU/TU ratio under 33 percent. Twelve states had a ratio of less than 25 percent. South Dakota had a ratio of 15.3 percent. In other words, the ratio of unemployed workers getting UI benefits was a third or less in a majority of the states, and less than 2 in 10 in South Dakota.

Complaints about the declining proportion of unemployed workers getting UI have not been met with sympathy by employers. However, even so-called ''job losers'' are no longer getting UI benefits at past levels. Job losers fall in the unemployed workers category which is closest to the involuntarily unemployed workers who are supposed to get UI—even according to most employers.

The 1995 report finds a steep decline in receipt of UI benefits in the ''job losers'' category. In fact, the ratio of UI claimants to job losers has fallen nearly forty percent since 1970.

The other reason cited for the reduced number of unemployed workers getting UI benefits is that eligible workers apparently aren't applying. While the research on non-applicants is not as clear as we might wish, on a practical level there are many things we can do to encourage potentially eligible UI claimants to apply for benefits. These include providing better UI claims information to workers at the time of layoff, permitting electronic and telephone claims, prohibiting employer retaliation, and continuing to improve the customer service aspects of agency claims handling. I believe that the Advisory Council will consider some of these administrative matters in the coming year.

Analysts disagree about why the ratio of insured unemployed workers to totally unemployed workers has fallen, but all recent studies show that legislative restrictions on UI eligibility and disqualifications have contributed. The only argument among the experts is the weight assigned to federal and state UI law changes as compared to other factors.

In fact, in most states, there are dollar estimates made on the amount of money to be ''saved'' when legislative restrictions on UI are passed. Since many of you have pushed for this so-called ''cost saving'' legislation to reduce the number of UI benefits recipients in your states, we should have few claims of innocence in this audience. We in organized labor are past the point of needing more studies concerning the reasons for the decline in receipt of UI benefits. We expect positive action to reverse the decline.

Often, when government is slow to act or fails to act, we have to looked for solutions elsewhere. That's what we've done in the Steelworkers—in this and other areas, such as employment security, pensions and health care.

For the unemployed, we have negotiated supplemental unemployment benefits—commonly known as SUB. The fair-minded employers we have contracts with recognize that unemployment compensation by itself—where it exists—is nowhere near sufficient to keep a family going.

With SUB, however, circumstances improve substantially. When one of our members is laid off, SUB will provide benefits ranging from 70 percent to 90 percent of the worker's wages. And it provides these benefits for two years.

When the worker is receiving UC, that amount is deducted from the SUB payment. When UC expires, SUB makes up the difference. The result is that no matter what the level of UC is, the worker receives the same percentage of wages.

The rationale is simple: Workers should not suffer for events over which they have no control. SUB payments help them to survive until they are recalled to their former jobs, or until they find new employment.

Even though we are proud of what we have done in this area, we feel this is an area that is properly the government's responsibility. Is any that with full knowledge of the atmosphere in Washington—an atmosphere with which I disagree completely. But that's a different story for a different time.

The problem we are dealing with today has its own import, and I'm pleased that the Advisory Council report this year makes specific recommendations to reverse the decline in UI benefits. In the meantime, the various experts can argue about the weight of factors that cause the decline.

Let me discuss two recommendations which would start to move our UI system in a positive direction.

First, the Advisory Council recommends that no state set its monetary eligibility requirement higher than the equivalent of 800 hours of work at the state's minimum wage, with the higher quarter wages requirement no more than 200 hours of minimum wage work. This should encourage states to resist the trend toward requiring more and more earnings to gain UI monetary eligibility.

The factual basis for this recommendation was a staff study of the monetary eligibility provisions of all state UI laws. This study showed that lower wage workers and part-time workers with substantial labor market participation still failed to meet monetary eligibility requirements in some states. The 800 hour recommendation converts to roughly a fifteen hour week for a full-year worker. I do not think these workers have shown so little attachment to the labor market that we should exclude then entirely from the UI system and force them onto welfare and Food Stamps.

Another recommendation would begin to move part-time and low wage workers back onto UI. It is the adoption of a moveable, or flexible, base period. Under a moveable base period, workers with insufficient earnings in the first four of the five completed calendar quarters, can use their ''lag'' quarter wages to meet the monetary eligibility. In Vermont, workers can even use the current, or ''filing'' quarter wages, to meet the monetary eligibility standard.

At this time, eight states have some form of flexibility as to the period over which they measure monetary eligibility for UI benefits. Six states have a so-called moveable base period. Maine, Massachusetts, Ohio, Rhode Island, Vermont, and Washington. California and New York permit different periods of measurement as well. In 1997, Michigan will adopt a moveable base period as part of its conversion from a wage request state to a wage record state.

The rest of the states define their base periods as the traditional first four of the last five completed quarters. As a result, wages can be as much as eighteen months old, depending on when the unemployed worker files and when she or he worked. A worker who needs his or her ''lag quarter'' wages to meet monetary eligibility standards must wait up to three months to obtain benefits under the traditional definition of base period. The moveable, or flexible, base period permits these workers to gain UI benefits much sooner, by counting the lag quarter wages toward monetary eligibility.

The Advisory Council relives that workers needing the moveable base period to gain UI eligibility have demonstrated adequate labor market attachment, as defined by each state. They should not be denied UI benefits solely because of the distribution of their wages in their base periods. For this reason, all states should consider the Advisory Council's moveable base period recommendation. Especially those which are currently paying UI benefits to very low percentage of their unemployed workers.

We also believe that the U.S. Department of Labor should encourage this action. Another important area of Advisory Council activity has been our examination of state UI trust fund solvency. Here, I believe the Advisory Council has made good progress toward increasing the solvency of the UI system, while maintaining a good deal of state flexibility.

Analysis by the Council staff has shown clearly that states with lower reserves are much more likely to be forced to borrow from the feds, raise taxes, or cut UI benefits in a recession—or a combination of FUTA penalty taxes and interest payments. Both benefit cuts and increased taxes during recessions should be avoided. Workers need the benefits during any period of unemployment, but especially during a recession. And employers need the spending boost provided by UI benefits during a recession, and can least afford a tax increase during economic downturns.

For this reason, the Advisory Council has recommended that States avoid so-called, ''pay as you go'' financing, and provide for forward funding of UI. In other words, during periods of economic recovery, the state should permit funds to accumulate in its trust fund for payment later during a recession.

Rather than debating continuously over the exact level of reserves that are desirable, the Council compromised on a level somewhat lower than the 1.5 high cost multiple which has been historically defined as prudent. There was some feeling that requiring this level of reserves drew too much capital out of the economy and was less productive. Instead, the Council recommended that states maintain a reserve equal to one year of benefits at the average of the three years of highest payouts over the past 20 years.

The innovative part of the Council's solvency recommendation was the suggested use of federal interest premiums on trust fund deposits over the desired level of reserve, and interest breaks for states forced to borrow despite having reached the desired level prior to the recession. In other words, the Council did not set a ''federal standard'' for solvency, but, set up a method of encouraging states to accumulate higher reserves prior to the next recession.

The Advisory Council also made a number of recommendations related to the budgetary treatment of UI by the federal government. For years, both labor and employers have urged the removal of the UI trust funds from the budget. The Council recommended that all UI trust funds be removed from the federal unified budget.

The inclusion of the UI trust funds causes a number of distortions. Dedicated UI revenues have been treated as offsets against the budget deficit allowing regular state UI benefit payments to be counted in federal spending. In addition, the tightening of administrative funding over the last several years, and the recent difficulty in getting supplemental appropriations for unexpected UI workload is a result of having the UI trust fund in the budget. We say this must end.

Another result of having UI in the budget is to make it subject to cost cutting measures designed for budget balancing, rather than for UI policy. One example is the federal income taxation of UI benefits. This is nothing more than a federally imposed reduction in state weekly benefit amounts. The Council has recommended the repeal of income taxation on UI benefits.

In the coming year, the Advisory Council will be looking at administrative financing of UI. Last year, the Council recommended that the state agencies collect the federal FUTA taxes used for administrative financing. Currently, the Internal Revenue Service assesses charges of up to $100 million a year to collect the FUTA revenue, and the states feel that they are in a position to collect FUTA taxes without using scare resources.

I believe that administrative financing will be a matter for continued examination because proper levels of appropriations and proper use of the administrative funds are so critical to the UI system. As Bruce Springsteen has said, ''sooner or later, it all comes down to money''.

Employer support for UI and ES will increase, if they feel that their FUTA taxes are wisely spent. State agency employees need and deserve adequate wages and benefits. State administrators need flexibility and better incentives for meeting UI program goals. The federal partner needs to better ensure that service improvements and efficiency are a product of its financing. And, unemployed workers need pleasant, accessible, and effective UI and ES offices.

The Advisory Council often refers to the two traditional, and inter-related, national goals of the UI program. That is, adequate wage replacement for unemployed workers and economic stabilization. It is critical that both of these national goals be met, and that state and federal actions undercutting these goals be reversed.

Wage replacement at an adequate level of benefits is of obvious interest to organized labor. But, in addition, organized labor recognizes that the overall level of workers getting UI benefits must also be improved. Otherwise, the UI programs are only a hollow shell, leaving many workers who have substantial labor market involvement without UI benefits. For these reasons, the Advisory Council should consider methods to encourage states to pay adequate levels of UI benefits to a higher proportion of unemployed workers in the coming years. Possible solutions include trust fund enhancements, administrative funding incentives, and federal goals for states in these areas.

Let me close with some comments directed to the employer community and its approach to UI. I believe employers need to take a broader view of UI than what I usually hear from their representatives.

The other side of the coin from adequate UI benefits is economic stabilization. This is the other national goal of UI, and it still deserves our combined support. It truly helps employers.

UI benefits buy groceries, pay rent, keep the utilities connected, and purchase other necessities for unemployed workers and their families. In other words, all UI benefits are spent with employers—a fact that some employers have apparently forgotten. The unemployed worker's pocketbook is merely a way station for UI benefits on their way to an employer's bank account.

Most employers are also on fairly thin ice on the cost issue. Nationally, state UI payroll taxes amounted to .9 percent of total payrolls in 1993. This is not insignificant, but it is near the historically lowest levels of the early 1970s, and well below the 1.4 percent level reached in the recession of 1982–1983.

The federal FUTA tax rate is at historic low levels, amounting to only 36 percent of average wages. This has severely eroded the actual FUTA tax rate, which has fallen in relation to inflation since the federal taxable wage base was last increased in 1983. At that time, the FUTA payroll tax amounted to $81—today it's $56. So even with the much maligned .2 percent surcharge, FUTA taxes, in terms of real dollars, are at the same level as they were in 1970. In 1970, the net FUTA tax rate was .5 percent and the taxable wage base was still $3000.

While each employer naturally concerns itself with its labor costs, employers as a group should recognize that UI benefits help maintain a stable economy and society. While $25 billion or so are paid in UI benefits in any given year, these 25 billion were also spent. And, unlike defense spending or social security benefits or highway construction funds, these UI dollars were mostly spent in areas where unemployment was higher and local employers most needed a spending boost.

In short, the business approach to UI doesn't seem to have changed, even though the bad old days of higher UI taxes and lenient treatment of unemployed workers are long gone. Whatever the validity of the cost-cutting approach of the mid-1970s to mid-1980s period, employers, should rethink their ''cost above all else'' approach to UI.

Especially in the current political climate, the views of employers are of paramount importance. Unless the policies advocated by employers change, the downward trend of the past fifteen or twenty years will continue, and this will have serious impacts on employers and the larger society—not just on unemployed workers.

The developments of the last fifteen or twenty years have undercut the achievement of our national UI goals. This was mainly due to the effective elimination of the EB program in 1981, the spread of state restrictions on UI eligibility and the adoption of harsher disqualifications during the 1970s and 1980s. Meeting these national UI goals is important to workers *and* employers. For this reason, favorable action on the recommendations of the Advisory Council on Unemployment Compensation is important to employers as well as the rest of our society. I hope that employers will review their UI policy positions in light of the Advisory Council's recommendations. This would be an important step in restoring the vitality of our UI system.

Thank you, and I look forward to your questions following the remarks of Bob Mitchell.

RECOGNIZING SERVICE BY WCTE–TV

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. GORDON. Mr. Speaker, WCTE–TV in Cookeville, TN, provides a great service to the television viewers of Putnam County and the Upper Cumberland region of Tennessee. The enclosed article from the New York Times shows how the small, but capable staff juggle many responsibilities and produce quality local programming.

[From the New York Times, Apr. 17, 1995]

WHERE PUBLIC TV IS MORE THAN A POLITICAL FOOTBALL

(By Laurie Mifflin)

COOKEVILLE, TN.—When people argue about public television in Washington, Boston, New York or Los Angeles, they talk about ''Sesame Street,'' ''Nova'' and ''Frontline''; about whether the political programming is too partisan, about whether opera and ballet are too elitist, and about slashing station budgets of $100 million a year or more.

Here, too, in Cookeville, in the Upper Cumberland region of Tennessee, public television means ''Sesame Street,'' ''Nova'' and ''Frontline.'' But political programming means covering monthly meetings of the Putnam County Commission. Cultural programming means the Smithville Fiddlers Jamboree and the Tennessee Tech Faculty Brass Quintet. The budget runs a little over $1 million. And the station consists of three rooms and a truck.

The boxy WCTE–TV truck is parked beneath the iron girders and concrete risers of the Tennessee Tech football stadium, the station's home. It is a ''remote truck,'' divided inside into three cramped carrels lined with audio and video editing equipment, the kind of truck television crews use when they cover events away from the studio.

This remote truck does venture out—to cover Tech football or basketball road games—but as soon as it is parked under the stadium, thick hanks of blue cable are pulled out and connected to other cables leading to the station's control room, because the truck doubles as the station's main editing facility.

So when Donna Castle and Rick Wells return from videotaping teenagers in Cane Creek Park who are testing leaf and water samples in a regional ''Envirothon'' contest, for example, Mrs. Castle climbs into the truck and sits down to edit a Hot Puddin' Cake recipe for that week's ''Cumberland Cooking With Cathy'' show.

Mr. Wells heads to the ''studio'' on the other side of the parking-bay wall—a windowless 20-by-30-foot room with cinder-block walls and klieg lights sprouting from the ceiling—to operate a camera focused on teams of jittery high school students competing in the Upper Cumberland Academic Bowl. And when that taping starts, Mrs. Castle will have to stop editing because David Dow will need the truck's control panel to direct the three-camera Academic Bowl production.

WNET in New York and WGBH in Boston may be the signature stations of the Public Broadcasting Service because they produce many of its best programs, but the mom-and-pop stations of small-town America have deep roots in the public television heritage, too.

The two dozen or so smallest PBS stations in the country receive 30 to 40 percent of their budgets from the Corporation for Public Broadcasting, so eliminating Federal financing could force them to close up shop. But ''zeroing out'' now appears unlikely; when Congress returns from Easter recess, the House and Senate will have to reconcile their versions of bills to cut back financing, with the compromise likely to be in the 10-to-15-percent range.

But for Donna and Richard Castle, the operators of WCTE, Channel 22, in Cookeville, even a 10 percent cut will hurt their bare-bones budget of $1.16 million (which includes 18 salaries). And because it would be cheaper simply to pick up PBS's national programming, Channel 22 would probably cut back the thing that makes it distinctive: its local programming.

WCTE was founded in 1978 as part of the state Department of Education, and Mr. Castle, 58, the general manager, still calls it ''educational TV'' as often as he calls it ''public TV.'' The station offers instructional programs used by local schools and by parents who teach their children at home, as well as programs informing the community about local government, local schools, local cultural affairs and local businesses.

''We're here for the public, and I try to remember it all the time,'' Mrs. Castle said. ''If people around here want to see the Smithville Fiddlers Jamboree instead of something from the Theater of the Rhinoceros in San Francisco, that's O.K.''

Mr. Castle pronounces himself ''stumped'' by the Washington politicians who seem so down on public television. ''We've never been partisan or played politics in any way,'' he said of WCTE. ''And when they talk about public TV being for the wealthy and the elite, well, that's sure not true here.''

Cookeville lies midway between Nashville and Knoxville, far enough from each for the area to qualify for Federal money to build an 840–foot television and radio transmission tower. To the east, the countryside's rolling ridges become small mountains; there, television reception requires either a satellite dish or a huge antenna. Many people cannot afford either.

''In our viewing area, 60 percent of the people don't have cable,'' Mr. Castle said. ''In the mountainous parts, if you don't have a dish, you can't even get ABC, CBS or NBC. In some of the historically poor areas around here, the only station people get is Channel 22.''

Channel 22, one of the smallest PBS stations in the country in terms of both budget and viewership, is so small that it falls ''below measurable standards'' for rating by the A.C. Nielsen Media Research Company. Nielsen estimates WCTE's cumulative weekly audience (house-holds that tune in for at least 15 minutes a week) at 17,000 to 18,000.

The station gets its modest home rent-free from Tennessee Tech, whose green campus graced by red-brick Georgian buildings is the town's centerpiece. Of the station's $1.6 million budget for 1994–95, $393,254 comes from the Corporation for Public Broadcasting and $498,315 from the state.

Finding that level of financial support around Cookeville would be unlikely. Membership in Channel 22, which costs $25 a year, accounted for $50,000 last year. An annual eight-night auction at the town's Drama Center, run by 200 volunteers, added $72,000. There are no large corporations here, and persuading local businesses to underwrite programs instead of buying advertising on local commercial stations is difficult.

''We charge $50 a program a week,'' said Tina Majors, WCTE's director of development, ''whether it's for a local program or one from PBS, but that's for a 13-week commitment. Some businesses won't commit to that, but they'll spend $100 for two spots in a big local event like Horse Show Night at the county fair.''

Ms. Majors is WCTE's newest employee, hired about 18 months ago because of fears about losing financing. She is just about the only one who doesn't work on programs. ''There's nobody here who can't run a camera,'' Mr. Castle likes to say.

Sue Gibbons, the traffic manager, said, ''Richard and Donna's three boys grew up in the station, pulling cable and helping out.'' Russ Castle, 23, now works for a local radio station but still ''runs a camera,'' unpaid, on all Tennessee Tech football games for WCTE. His 20-year-old twin brothers, Art and Roger, attend the University of Tennessee at Martin and run cameras (also without being paid) when they are home.

Steve Boots, the station's young assistant manager, describes his job as ''anything from grabbing a broom to hosting a show.'' He was the host for the Uppper Cumberland Academic Bowl in early April.

Channel 22's director of educational programming, Becky Magura, started out as a college intern in 1980 and has run the camera on hundreds of football and basketball games by now. She also produces the Academic Bowl shows and many segments for ''Upper Cumberland Camera,'' a magazine-format show that appears every Thursday night.

That program—''52 new shows a year; we don't repeat,'' Mrs. Castle says with pride—has done segments on the effort to restore defunct movie theaters, on a conference offering advice to women in business, and on a Tennessee Tech professor using computer simulation in chemistry experiments.

The station also produces the ''Upper Cumberland Business Profile,'' an interview program; ''Education in the Upper Cumberland,'' and ''Cumberland Cooking With Cathy.'' ''When she did her Christmas show, we stupidly said, 'Send us an envelope if you want recipes,''' Mrs. Castle said. ''We got over 600 requests. Joyce Hunter and I sat there and stuffed all those envelopes.''

WCTE's productions look and sound as professional on the screen as most shows aired